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SUBJECT: TRINIDAD & TOBAGO ECONOMIC HIGHLIGHTS - MARCH

The following were notable economic developments in Trinidad & Tobago during the month of March

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[1. Tobago Land License for Foreigners](#)

According to the Foreign Investment Tobago Land Acquisition Order 2007 (FITLAO) signed on February 14, all foreign investors must now obtain a license before purchasing land in Tobago. Orville London, Chief Secretary of the Tobago House of Assembly, said that the FITLAO minimizes the chances of land being purchased in Tobago 'for reasons other than those that were stated and approved.' He added that the idea was not to ban the sale of lands, but to be able to manage it in an effective way. Previously, foreigners could purchase up to five acres for business purposes and one acre for residential purposes without a license.

[2. Cooperation with Asia in Trade & Investment](#)

The February 27-March 12 GOTT "Trade and Investment Mission to the Far East" (Seoul, Beijing, Shanghai, Mumbai, New Delhi) produced the following results: The GOTT and ROKG agreed to cooperate in trade of liquefied natural gas from T&T and Korean inputs for T&T manufacturing. The highlight of the Beijing visit was the signing of a Memorandum of Understanding (MOU) by Minister of Trade and Industry Kenneth Valley and Mr. Gu Zhaoxi, Vice Chairman of the China National Tourism Administration (NTA), under which China granted Approved Destination Status (ADS) to T&T, facilitating PRC nationals' travel to T&T. Also in Beijing, the Mission hosted a Business Forum attended by over 200 Chinese business representatives.

In New Delhi GOTT and GOI signed a bilateral investment treaty. Minister Valley also presented Bank of Baroda's Chairman and Managing Director Dr. Anil K. Khandelwal with a letter of approval from the Central Bank of Trinidad and Tobago to open a T&T

subsidiary. The general Manager of New India Assurance, the longest operating Indian company in T&T, spoke at a business forum about his 59 years of experience doing business in T&T. Arrangements were finalized with a major Bollywood studio to shoot a feature film here in May 2007 for release in India in September 2007.

The GOTT also announced plans to negotiate bilateral civair agreements with China and India this year.

13. GOTT committed to FTAA

Speaking at a March 21 luncheon for energy executives, Prime Minister Manning told his audience that he had made it clear to Venezuela's President Hugo Chavez that T&T remains "irrevocably committed" to the Free Trade Area of the Americas (FTAA). For that reason, Manning stated T&T could not subscribe to the Bolivarian Alternative for the Americas (ALBA), like Venezuela, or sign MOUs on ALBA, like some CARICOM neighbors. Manning added that since Venezuela, through PetroCaribe, threatened to displace T&T as the dominant regional energy supplier, T&T could no longer accept the responsibility for guaranteeing energy security in CARICOM countries.

14. Fishy Concerns

Recent statistics from the Tobago House of Assembly (THA) Department of Fisheries indicate depleted flying fish stocks in Tobago's waters. The report states that the 2004-2005 season was the worst in years and despite a relatively better 2005-2006 season, it failed to reach the average for the previous five years. THA's Chief Secretary Orville London said conservation would be necessary if the

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present trend continues, and the Assembly is recommending a moratorium on fishing in Tobago waters by foreign vessels until a

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new assessment shows that there is no permanent depletion of fish stock and that the available and predictable stock can meet the needs of Tobagonians. The Assembly's position has been conveyed to the Ministry of Foreign Affairs as discussions between T&T and Barbados on fishing in Tobago waters are scheduled to commence shortly.

15. TT gets Water Pollution Rules

In early March, Public Utilities and the Environment Minister Penelope Beckles introduced new Water Pollutions Rules, which require corporations and other "polluters" to register as a source of water pollution with the Environmental Management Agency (EMA) by May 4. This represents T&T's first attempt to compile a comprehensive and reliable inventory of national water pollution sources and is intended to improve the quality of T&T's water resources. Septel will report further on these rules and planned implementation and enforcement.

16. U.S. company to build Caustic Soda plant

U.S. company Seneca Chemicals Limited and local joint venture partner Guardian Energy Holdings Limited will build a US\$80 million chemical plant at Point Lisas with an annually production capacity of 100,000 tones each of caustic soda and calcium chloride when the facility comes on stream in September 2008. The joint venture company CariSal Limited, affiliated with New York company CariSal LLC, will process a by-product salt stream from the Desalcott desalination plant to make a raw feed to the plant and produce potable water for its own use as well as local industrial use. According to press reports, CariSal has secured long-term supply agreements for electricity and natural gas to the facility. Texas-base DX Terminals Limited will market the caustic soda internationally, while CariSal LLC will market the calcium chloride for oilfield, road stabilization and ice melt applications.

According to General Manager Roger Moore, the company is committed to providing a safe and clean operation with no emissions. Miami-based Conve & AVS Inc. and local company ABT Engineers & Constructors Ltd. were awarded the contract for engineering and fabrication of the plant. Local company TTeK Project Management Limited will be responsible for the construction of the facility. U.S. company Halliburton, a major consumer of calcium chloride for oilfield operations, reportedly also has an interest in the project.

17. Essar Steel plant approved

Essar Steel officials announced the company has received a nod from the GOTT for its proposed US\$1.76 billion plant in Trinidad and will start construction by July this year. The plant would have an annual production capacity of 2.5 million tons and would be operational by 2010. Essar is setting up the new plant produced primarily for the US market and also for the Caribbean. This would be Essar's first plant in the Caribbean but the company may look for more such plants in the future, according to press reports.

19. T&T Bird Flu Ready

At the first interagency Avian Influenza Desktop Simulation held March 14, T&T Minister of Agriculture Jarrette Narine declared that T&T was "well prepared" in the event of AI reaching this country, which he says is not a matter of "if Bird Flu would strike T&T but rather when." Since chicken is a vital part of the Trinbagonian diet, Narine is focusing on AI's possible impact on the poultry industry. He also reported that his Ministry has strengthened surveillance of the country's ports of entry and amended trade protocols and restrictions to address the AI threat. Nearly 100 representatives from the National Avian Influenza Control Committee (NAICC), an interagency task force formed in November 2006, and other industry and NGO stakeholders took part in the exercise to increase preparedness and coordination of key players

19. VAT removed on basic products

On March 14, advertisements from the Board of Inland Revenue appeared in local newspapers advising that the 15 per cent Value Added Tax (VAT) had been removed on a number of items effective January 31, although many stakeholders said that they were unaware of this change until the publishing of the ads. Among the items on which VAT was removed are mineral and ordinary water, tomato ketchup, prepared mustard, aerated beverages, corn flakes, soya bean, corn and sesame oils, chicken sausages, canned salami

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sausages, unsweetened grapefruit juice for infant use and concentrated, orange drink, soy sauce, vinegar, dishwashing liquid and detergents, both liquid and solid forms.

110. Inflation falls again

In its March release, the Central Bank of Trinidad and Tobago announced that headline inflation dropped to 8.4 percent in February, down from 8.6 percent in January. According to the Bank, while the outlook for prices over the next three months remains uncertain, the full impact of the reduction of VAT could reduce the prices of some consumer goods. Core inflation was up to 4.5 percent from 4.4 percent in January and occurred mainly in the sub-indices of housing and alcoholic beverages, the latter being attributed to the carnival season.

111. Caribbean Airlines launches POS/London Route

Caribbean Airlines (CA) launched its new and enhanced flight service between Port of Spain and London on March 25. The new service is part of a code share agreement signed between CA and British Airways (BA). Under this agreement BA operate direct flight service between

POS and London, three times weekly. On the other days, CA will fly from POS to Bridgetown connecting with BA's Boeing 777 to London.

¶12. Aviation Security Training for CARICOM

As part of CARICOM measures to enhance border and venue security ahead of the Cricket World Cup, the newly established Advanced Air Transportation Technologies-Airports Council International (AATT-ACI) Global Training Hub at the Aviation Training Centre in Piarco International Airport recently graduated 33 participants from its inaugural training program. Instructors from ACI focused on passenger profiling, managing airport and stadium security during the World Cup and how to manage and maintain seamless security. Officials from the U.S. Department of Homeland Security and the U.S. Transportation Security Administration attended parts of the seminar. The next training program is scheduled for May 29-31 and will focus on "Generating Non-Aeronautical Revenue."

¶13. Fire delays Guyana's poultry exports to T&T

T&T technical team's visit to conduct final inspection on possible poultry suppliers to T&T was postponed to the end of April due to a fire at one of the poultry farms. However, in its continued efforts to seek lower prices of chicken and other products, the GOTT also approached Mexico and Colombia and expressed interest in importing agricultural produce and poultry in particular. Also being explored is the possibility of importing beef, fruits and vegetables from Costa Rica and Guyana, taking into account sanitation and health risks. Agriculture Minister Jarrette Narine said that government was exploring all options in an effort to reduce food prices.

¶14. T&T Company's Registry Online

To improve Trinidad and Tobago's "investor ready atmosphere" the Companies Registry of the Registrar General's Department will soon be available online. The Minister of Legal Affairs Christine Kangaloo said the initiative would be a subscription service with a minimum subscription fee of TT\$2,000 (US\$317). Upon advance payment to the Registrar General's Department, a user name and password would be assigned and a TT\$20 (US\$3.70) fee deducted from the subscription amount for each search. The facility has information on 54,000 business names and 30,000 companies on record.

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